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TAGS: PREL PHUM PGOV KIRF OTRA OVIP ETRD BM VM ASEAN HUMANR RELFREE SUBJECT: NSC Senior Director Michael Green's Meetings with AFM Nguyen Duc Hung: Regional Issues, Religious Freedom and Visits by Prime Minister Khai and Other Senior GVN Officials

Ref: A. Hanoi 254 and previous

11. (SBU) Summary: NSC Senior Director for Asia Michael Green and Assistant Foreign Minister Nguyen Duc Hung met for 90 minutes February 4, again at dinner the same night, and then for 30 minutes on February 5 to discuss regional issues, a religious freedom work plan and Prime Minister Phan Van Khai's proposed June visit. AFM Hung described in familiar terms Vietnam's desire for greater U.S. engagement with ASEAN, underlined Vietnam's concern about China's role in the proposed East Asian Summit (EAS) and urged the United States to find a way to improve relations with Burma. He also described the GVN's hope for concluding a number of key matters before the Prime Minister's visit, such as the bilateral WTO negotiations. Senior Director Green expressed the U.S. desire to conclude IMET and adoptions agreements and to use progress in the area of religious freedom to restart the bilateral human rights dialogue. During the first meeting, AFM Hung had no official response to Senior Director Green's presentation of the religious freedom work plan save to describe Vietnam's intention to make progress in certain key areas and to express concern that the absence of a "no sanctions" announcement by March will "mean trouble for Vietnam." The Senior Director underlined the positive impact that making progress on a work plan would have on planning for the Prime Minister's visit, and at the February 5 meeting, Hung gave a different response. He emphasized the GVN's desire to eliminate the need for the proposed 90-day waiver by concluding an exchange of notes on Vietnam's plans for securing religious freedom before the expiration of the 180-day CPC period. End Summary.

## AFM HUNG ON REGIONAL SECURITY, ASEAN, AND THE EAS

- 12. (SBU) NSC Senior Director for Asia Michael Green met for 90 minutes with Assistant Foreign Minister (and MFA Americas Department Director General) Nguyen Duc Hung February 4. The Ambassador, Pol/C and PolOff accompanied. AFM Hung was joined by United States Affairs Director Nguyen Hoanh Nam and Americas Department Desk Officers Nguyen Thi Bao Huong and Le Chi Dzung. AFM Hung opened by offering his Government's perspective on issues in Asia in general and Southeast Asia in particular. Asia has witnessed significant transformations over the past decade, with mostly peaceful transfers of power in a number of countries. However, territorial disputes and ethnic and religious conflicts still "deeply affect" regional stability. Nontraditional security threats, such as transnational crime, epidemics, natural disasters and trafficking in drugs and persons, are also a feature of the region. The recent earthquake and tsunami disaster showed the great impact these nontraditional threats can have on the region, but it also allowed countries in and outside of Asia to work together to provide assistance, and Vietnam was no exception, Hung noted.
- 13. (SBU) Compared with other areas, the Asia-Pacific region is relatively stable and benefits from a high level of economic growth, Hung continued. The region's flashpoints are "moving in the right direction" and efforts to integrate Northeast and Southeast Asia are underway. The successful conclusion of the fifth Asia-Europe Meeting Summit (ASEM 5) and the collaborative tsunami relief efforts showed how nations of Asia can join together.
- 14. (SBU) The most "outstanding" feature of the Asia-Pacific region is the "peaceful rise of China," AFM Hung noted. In recent years, China has publicly stated that it is striving to "rise peacefully." No one is really sure what this means, but, in general, China seems to be focused on contributing to the region's dynamic economic growth. On the other hand, there is no consensus regarding how China will deploy its newly acquired power and influence, possibly to "threaten the region's stability and balance." Chinarelated developments will "for sure" have an impact on the region and every nation in Southeast Asia, Hung observed.

- 15. (SBU) Turning to ASEAN, Hung said that the organization is playing an increasingly important role in Asia and continues to develop its relations with other countries, including the United States. At the same time, the challenge for ASEAN will be to increase its effectiveness and strengthen cooperation among member states and with Northeast Asian nations. This year will be important as ASEAN will begin to draft an ASEAN Charter and will also work on the East Asian Summit (EAS). The EAS question is very important, not only from ASEAN's perspective, but also from the perspective of the "Plus 3" nations of Northeast Asia. The issues the EAS raises will have a "major effect on the future of ASEAN," Hung opined.
- 16. (SBU) During a recent ASEAN Senior Officials Meeting (SOM) in Hanoi, a "common understanding" about these issues was reached. However, there still needs to be more discussion before implementation of the EAS can begin, AFM Hung said. Some ASEAN members, particularly Malaysia, agree that it is time to go ahead with the EAS. However, others want an "open-ended summit," with invitations extended to others. This is an issue still under discussion, but, if possible, it would be useful to have others join. "Perhaps the United States would go along with an open-ended summit," Hung asked rhetorically. For its part, ASEAN wants to remain in the driver's seat and, to this end, developed the ASEAN+3 formulation. However, China also wants to be in the driver's seat, Hung said.
- 17. (SBU) Regarding ASEAN-U.S. relations, ASEAN in general and Vietnam in particular highly value their ties with the United States in all areas, Hung continued. The areas in which the two sides need to increase their cooperation are economics, trade and investment. For example, the ASEAN member states are still looking forward to seeing U.S. guidelines for the implementation of the ASEAN Enterprise Initiative. Another key area for both sides is increasing market access, and it is important to encourage U.S. investors to invest in both ASEAN and Vietnam. Strengthening the U.S.-ASEAN dialogue is another issue on which to focus. Although ASEAN has the ROK, Japan, India and China as dialogue partners, the organization has yet to build this kind of partnership with the United States, Hung noted.
- 18. (SBU) That said, in several areas the United States and ASEAN are strengthening their cooperative ties, AFM Hung continued. For example, the two sides have increased their cooperation in countering nontraditional security threats, such as transnational crime and terrorism. For its part, Vietnam is working closely with the United States on countering terrorist financing and "stopping people" who have links to organizations linked to terrorism. These cooperative ties have led to Vietnam's becoming the "safest destination" in Southeast Asia for tourists, investors, and destination" in Southeast Asia for tourists, investors, and even U.S. Navy warships (with one USN ship visit scheduled for 2005, Hung added). ASEAN seeks continued U.S.-ASEAN counterterrorism cooperation, as spelled out in the ASEAN-U.S. joint declaration against terrorism, in Brunei, in addition to cooperation in other areas, such as technology transfer, information exchange, "finance" and disaster relief capacity building. U.S. development assistance, particularly in the areas of hunger reduction and poverty alleviation, would also be welcome. U.S. participation in the Mekong Delta region development project, in which Japan is playing a large role, is also notably absent. While Vietnam welcomes U.S. regional development assistance that includes Vietnam, Indonesia and others, perhaps the assistance could be diverted to bilateral programs and made "more effective," Hung observed.

#### CHINA

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- 19. (SBU) On China-Southeast Asia relations, Hung said that the PRC plays an important role in every political, economic and security aspect of the region. Every country in the region has a "lesson" learned from relations with China, and some lessons are "more difficult" than others. For its part, Vietnam is trying to develop and maintain friendly and cooperative ties with China for the sake of the Vietnamese and Chinese peoples and for peace and development in the region. China "attaches great importance" to its relationship with Southeast Asia, in both political and economic terms. For example, China took the initiative to create a "free trade area" with Southeast Asia, and, although the talks underway are "not easy," all parties have the determination to go ahead. "Vietnam will do its best to ensure that ASEAN-China relations contribute to regional peace and stability," Hung averred.
- 110. (SBU) Trade volume between Vietnam and China continues to grow, reaching USD five billion in 2004, and both sides are striving to reach USD 10 billion in five years, Hung said. (Note: the Chinese Embassy here claims the 2004 figure is USD 6.74 billion. End Note.) Although Vietnam's

economic relations with the United States are "more important," the United States and Vietnam are politically "not so close." While the U.S. President will sometimes chat briefly with his Vietnamese counterpart or other senior Vietnamese leaders, leadership interaction between China and Vietnam is much greater. Vietnam hopes to be able to increase exchanges between its leaders and those of the United States. This year, three of Vietnam's top leaders - the Prime Minister, the President and the Chairman of the National Assembly - have plans to visit the United States, and Vietnam hopes that these visits will present the occasion to have meetings with U.S. leaders, Hung noted.

## BURMA

111. (SBU) One area of concern among Vietnam, the United States and ASEAN is Myanmar, Hung observed. For a "long time," Myanmar received no attention from the United States and was forced to "get along" with its neighbors China and India. "Myanmar has its own problems, and the United States should sympathize with them," Hung urged. Myanmar wants to pursue regional integration and to be welcomed internationally. With the ASEAN summit scheduled to be held in Myanmar in 2006, Myanmar is aware of international concerns. "Myanmar listens to us," he stressed, and Rangoon is doing its best to meet the demands of its own people and others, including the United States and Europe. ASEAN-U.S. relations will be "burdened" if U.S. policy towards Myanmar continues as it has in the past. Vietnam hopes the United States can look into ways to improve ties with Myanmar. "We know you have innovative ways you can do this," such as in cooperative activities accounting for MIAs, Hung asserted.

#### UNITED STATES-ASIA RELATIONS

- 112. (SBU) Thanking AFM Hung for his presentation, Senior Director Green stated that both the United States and Vietnam have much to gain from strengthening their strategic dialogue. The United States needs perspective on the situation in Asia, and Vietnam offers a good view of how things are developing in the region. It is also useful to learn how Vietnam's role in the region is evolving. With Vietnam as APEC's host in 2006, the GVN is in a strong position to have a large impact on regional trends. As such, the United States and Vietnam should deepen their regional dialogue and share their respective strategic assessments. The tsunami disaster was evidence that the regional trend is towards increasing cooperation, and Vietnam's contributions, including granting blanket overflight clearance to U.S. military planes on assistance missions, were noticed and appreciated, Senior Director Green said.
- 113. (SBU) On China, Senior Director Green agreed with AFM Hung's assessment. On the whole, it seems that U.S.-PRC relations are heading in the right direction, and there are several summits planned for this year. One area to watch will be Taiwan, but recent steps, such as progress in air links between Taiwan and the mainland, are good and help to underpin the two sides' dialogue. However, China may introduce an anti-splittism law, the result of which may be some backlash in Taiwan and a reversal of the recent positive trend. For its part, the United States is encouraging China to take steps to moderate this law, or not go through with it at all, the Senior Director noted.
- 114. (SBU) U.S.-PRC cooperation in resolving the North Korea nuclear issue continues to move forward, and China is playing a key role in the six-party talks, along with the ROK, Japan and Russia. Cooperative action in Northeast Asia, as manifested in the six-party talks, is the best way to deal with the DPRK nuclear issue and, in the long run, is in the interest of the region. On the other hand, the United States does not see the ARF or the ASEAN+3 mechanisms as useful for dealing with regional issues such as the DPRK, Senior Director Green said.
- 115. (SBU) The United States does not have a strategy of confronting or containing China, and, based on the absence of China-related issues in the recent U.S. Presidential election campaign, it appears that there is a degree of bipartisan support for the U.S.-China relationship, the Senior Director continued. There are many challenges in China, and we need to have in place a "regional approach" while placing an emphasis on our alliances. ASEAN, and ASEAN's cohesion, are important for maintaining a stable regional environment and ensuring that China's emerging role is a cooperative one, Senior Director Green noted.
- 116. (SBU) Burma is a problem, and this problem makes it difficult to have ASEAN-U.S. summits, Dr. Green continued. As President Bush said in his State of the Union address, the United States will stand behind and be a strong friend of countries going down the path to freedom, but Burma is

going in the wrong direction. Both for our values and strategic interests, it is important to have Burma go in the right direction. To that end, it would be better to have all of us speak softly with Burma, rather than some speaking loudly and others speaking in friendly tones. We are concerned about Aung San Suu Kyi and the constitutional process, and it will be difficult for the United States to be a part of ASEAN events next year if the situation does not improve, the Senior Director stressed.

117. (SBU) Regarding regional architecture, the United States believes that APEC as the region's most inclusive grouping can do the most in areas such as trade liberalization, expanding bilateral free trade agreements to regional ones and strengthening cooperation in counterproliferation, counterterrorism and other transnational threats. The United States believes that Asia is deficient in multilateral institutions, particularly compared to other regions, and needs to take advantage of many levels of cooperation. We are watching the EAS process and, while we are not opposed, our impression is that many countries are backing into it without thinking about the ultimate consequences. Vietnam, on the other hand, appears to be thinking strategically, particularly regarding what China's role will be. In general, the United States believes that APEC should be the pre-eminent regional organization. Furthermore, while we do not think we should necessarily be a part of the EAS, keeping it open-ended and transparent is critical. We hope that Vietnam will keep us in the loop on EAS developments. The United States wants to work with Vietnam behind the scenes both to ensure that we are not completely excluded and to prevent the EAS from being Chinadominated, Senior Director Green said.

### BILATERAL RELATIONS

118. (SBU) Turning to bilateral issues, the United States believes that there is potential for growth in U.S.-Vietnam relations, Dr. Green noted. With APEC 2006 hosted by Vietnam in the offing, we will have to work hard to manage the relationship successfully. There are many issues on the table, such as trade and military-to-military ties. One critical issue is religious freedom and Vietnam's designation as a Country of Particular Concern (CPC). We have had many discussions about this, and the United States hopes that we can move in the right direction. The recent release of Father Ly and several other religious figures (Ref A) made a good impression in Washington. To continue to make progress we need to see systemic changes. We would like to pursue this issue bilaterally, which could include having our leaders discuss religious freedom matters as a matter of course. The United States has no desire to force change on Vietnamese society or borders.

#### PRESENTING THE CPC WORKPLAN

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- 119. (SBU) The deadline for making a CPC sanctions decision is approaching, Dr. Green noted and, based on discussions with International Religious Freedom Ambassador Hanford, we would be willing to issue a 90-day waiver to provide the time to pursue a work plan with Vietnam. As part of this work plan, we would want Vietnam to commit to progress in key areas and we would need to see it in writing, such as in an exchange of diplomatic notes, he said. It would be a future-oriented vision on how to move forward. If successful, this could allow us to work together on a joint statement for the President and Prime Minister to issue that would put the religious freedom issue in the larger context of the relationship. Progress in various areas of religious freedom would be mutually reinforcing, and the diplomatic notes exchanged would frame the issue in a way that is winwin for both sides, Senior Director Green said.
- 120. (SBU) As the GVN is aware, the United States is focused on a few key issues, the Senior Director continued. Opening churches in the Central Highlands and elsewhere, allowing the house church movement to expand and issuing implementing regulations, including language banning forced renunciations, are critical. The implementing regulations can demonstrate that Vietnam has a commitment to systemic changes and show that, if violations occur, there will be consequences. Progress in these areas would be a significant step that the President and Prime Minister could welcome. When Vietnam's leaders make public their commitment to religious freedom, this plays well in Washington and is appreciated both in Vietnam and the United States. Progress on the work plan would lead to a positive meeting in Washington between the President and Prime Minister and possibly other senior meetings on the occasion of other high-level Vietnamese visits this year. Progress would also ultimately show the strength of the bilateral relationship to the peoples of both countries and help to ensure a successful Presidential visit to Vietnam in 2006, Senior Director Green said.

121. (SBU) The idea of a work plan has backing in both the White House and the Department, Dr. Green continued, and, if we see progress, we can arrange successful high-level visits. The target of a work plan would be the full lifting of Vietnam's CPC designation, the Ambassador noted. Although there is a question of when we could get this done, there should be no reason why we could not lift CPC designation by 2006, the Ambassador added. On the other hand, not being able to make progress will force us to consider how to handle high-level visits, the Senior Director continued. That said, we are optimistic, and the White House and the Department believe we can explain to Congress, the NGO community and the media about the progress we can make with the work plan, which will make the Prime Minister's visit a success, Dr. Green stressed.

# GVN WARY OF WORKPLAN AT FIRST

- 122. (SBU) AFM Hung said he understands what the United States is looking to accomplish with the 90-day waiver, but believes that it would be construed as an extension of Vietnam's "probation" at a time when the public and policymakers had been led to believe they were due a reward for moving to accommodate U.S. requests. The GVN would not have a problem with an exchange of notes as Dr. Green had described, AFM Hung said, suggesting that the GVN note be "a description of Vietnamese actions to date and an explanation of intended future actions, in the context of the bilateral relationship and future exchanges of high level leaders and also `track two' groups of religious or NGO leaders."
- 123. (SBU) Responding to AFM Hung's question about the timing of the Prime Minister's visit, the Senior Director said that June or July is reasonable. However, it has to be said that the National Security Advisor and Chief of Staff have yet to approve the visit, so any discussions are now purely theoretical. Dr. Green expressed his hope that, after returning to Washington, he can report on his talks in Vietnam and put together a PM visit proposal. If the two sides can agree on the religious freedom work plan, he can report this to the White House and others and put the visit proposal on a positive trajectory, the Senior Director noted.
- 124. (SBU) AFM Hung underlined that the religious freedom issue is very sensitive for Vietnam. During DRL DAS Elizabeth Dugan's visit to Vietnam last year, she urged Vietnam to make progress by releasing prisoners, opening churches and issuing the implementing regulations. The GVN has made progress in opening churches and will provide a list to that effect later. Regarding the implementing regulations, these will come out soon, and perhaps Deputy Prime Minister Vu Khoan will be able to go into more details about the timing during his meeting later (reported septel), Hung said.
- 125. (SBU) The problem for Vietnam will be if, by March, there is no "no sanctions" announcement from the United States, AFM Hung continued. If the United States and the GVN were able to agree in writing on a way forward before then, Green replied, sanctions would become a non-issue. March 7 is the key date, the Ambassador added, so we need to see something soon. Agreeing on a work plan will allow us the time to assess progress in church openings and other key areas. We need to try to create a way forward that meets both sides' needs in terms of both approach and outcome, the Ambassador stressed.
- 126. (SBU) The 90-day waiver would be a vote of confidence, Dr. Green noted. In response, AFM Hung said that it would be hard for his Vice Foreign Minister (Le Van Bang) to travel to the United States as planned in March to advance the Prime Minister's trip if there were no "positive signal" from the United States. This work plan is achievable, the Ambassador said, because we already agree on what needs to be done. Waiving sanctions for 90 days will send a positive signal that we are making progress. Hung urged the United States to lift sanctions completely before the Prime Minister's visit, but Senior Director Green responded that this will be difficult because we need time to assess Vietnam's progress.
- 127. (SBU) Responding to AFM Hung's protocol-related question about the "level" of the Prime Minister's visit, Senior Director Green said that the United States only has "State visits" and "official working visits," and that the Prime Minister's visit would be the latter. This would still allow him to meet the President and members of the Cabinet. The Prime Minister hopes to travel to the United States for "three or four days" in the June 20-30 timeframe, Hung said, and, in addition to Washington, D.C., may stop in New York City, Seattle and maybe Boston. He would also visit Canada during this trip. In response to Hung's request, Senior Director Green handed over themes for a possible draft joint

#### WTO REQUEST, AND PNTR

- 128. (SBU) On Vietnam's WTO accession talks with the United States, AFM Hung said that Vietnam would like to complete its negotiations before the PM's visit. Dr. Green responded that the United States agrees that Vietnam's WTO accession is important for the bilateral relationship. However, whether Vietnam's National Assembly can pass the relevant laws in time will be critical. The best solution may be to have an umbrella law, the Senior Director suggested. For its part, the United States is working hard and determined to make progress. Reaching a bilateral agreement by June may be difficult, but perhaps the joint statement could include language to the effect that both sides intend to continue to make progress, the Senior Director noted.
- 129. (SBU) Another important issue will be the Congressional vote on permanent normal trade relations (PNTR), and Vietnam needs U.S. help in getting through this, Hung said. The Ambassador responded that progress in the area of religious freedom and concluding several important U.S. business deals will be important in this regard. Hung listed three agreements that Vietnam would like to see wrapped up in time for the Prime Minister's visit: the Framework Agreement on Technical Cooperation (the draft of which is in U.S. hands); the Memorandum of Understanding on Agricultural Cooperation (which the United States also has to respond to); and the draft Maritime Agreement (a U.S. team will come in March to discuss this, the Ambassador said). With bilateral fullest possible accounting (MIA) cooperation proceeding, Vietnam would like to see increased U.S. assistance in the central region of Vietnam in addition to greater avian influenza aid, AFM Hung said.
- 130. (SBU) Senior Director Green said that, for its part, the United States would like to sign an International Military Education and Training (IMET) agreement with Vietnam, noting that having a cadre of officers in both countries who understand each other is important for the overall relationship. Vietnam's concern about the human rights vetting process is misplaced, because even U.S. allies such as Japan and Australia to go through the same procedures. Progress in the area of religious freedom would complement a broader human rights dialogue. The two sides should have a robust human rights dialogue to maintain momentum in the relationship and send the right message to the peoples of both countries. Reaching a bilateral adoption agreement would also be a welcome step forward, the Ambassador said. In closing, Senior Director Green said that agreeing that the religious freedom work plan is the best way forward would assist in pushing the proposal for the PM's visit and locking in the date.

# CHANGE OF HEART ON THE CPC WORK PLAN

¶31. (SBU) Following a social dinner February 4, Dr. Green and AFM Hung agreed to meet again February 5 to clarify the issues surrounding the work plan and the timetable. At the February 5 meeting, Dr. Green reiterated that the United States is willing to extend a 90-day waiver of Presidential action in accordance with the International Religious Freedom Act in order to provide enough time for the GVN and the USG to jointly develop a work plan for GVN actions to address the problems identified in the Religious Freedom Report and ultimately avoid CPC designation in the future. AFM Hung stated that the GVN would prefer to call it an action plan rather than a work plan, and that the GVN was convinced that it would not need the 90-day waiver. The GVN would be able to agree on an action plan and exchange diplomatic notes to that effect before the early March deadline. This, Hung said, would avoid the politically unpleasant image of the United States extending Vietnam's "probation period" by 90 days, during which high-level GVN officials would be expected to travel to the United States to make arrangements for the Prime Minister's visit. It is particularly important, AFM Hung said, to have the short-term CPC issue "resolved" before the March 21 visit to Texas and Washington of Vice Foreign Minister Le Van Bang. Dr. Green confirmed that if the USG and GVN were able to come to agreement on a mutually acceptable "action plan" on religious freedom, and solidify that agreement with an official exchange of diplomatic notes before the 180-day deadline, there would be no need for a 90-day waiver.